

THUET, LYNCH, PUGH & ROGOSHESKE

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EDWARD LYNCH  
THOMAS W. PUGH  
PAUL W. ROGOSHESKE  
LESLIE M. METZEN

December 31, 1985

14885  
JAN 7 1986 1:38 PM  
INTERSTATE COMMERCE COMMISSION

The Secretary  
Interstate Commerce Commission  
Washington, DC 20423

1/9/86  
Date  
Fee \$ 10.00  
CC Washington, D. C.

RECEIVED  
JAN 9 1 32 PM '86  
OFFICE OF THE SECRETARY  
PAUL A. THUET, JR.  
(RETIRED)  
WILBUR L. GOYER  
(OF COUNSEL)

Security Agreement dated as of  
December 10, 1985, with Central Life  
Assurance Company as Secured Party.

Dear Secretary:

Enclosed herewith for filing pursuant to 49 U.S.C. §11303 is a Security Agreement dated as of December 10, 1985, between LPG Transportation, Inc., as Pledgor, and Central Life Assurance Company, as Secured Party. Such Security Agreement grants the Secured Party a security interest in railroad tank cars bearing identifying numbers SGIX 6101 to and including SGIX 6108, SGIX 7309 to and including 7316, and SGIX 7417 to and including 7421. The parties to such Security Agreement are:

Central Life Assurance Company, as Secured Party,

and,

LPG Transportation, Inc., as Pledgor.

Please record one of the three enclosed copies of the Security Agreement and stamp the other two copies and the two copies of the letter enclosed herewith with the recordation date and return such copies to the undersigned in the enclosed pre-addressed, stamped envelope. A check in the amount of \$30 is enclosed in payment of the applicable recording fee.

Very truly yours,

THUET, LYNCH, PUGH & ROGOSHESKE

By: Edward Lynch

EL:s1

cc: Ms. Diane Davidson  
Central Life Assurance Co.

14885  
JAN 9 1986  
INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT

RECEIVED  
JAN 9 1 35 PM '86

THIS SECURITY AGREEMENT made this 10 day of December, 1985, by and between LPG TRANSPORTATION, INC. a Minnesota corporation, with its principal office at 10825 Courthouse Boulevard East, Inver Grove Heights, Minnesota 55075 (herein called "LPG") and CENTRAL LIFE ASSURANCE COMPANY, an Iowa corporation, with its principal office at 611 Fifth Avenue, Des Moines, Iowa 50309 (herein called "Secured Party").

W I T N E S S E I H:

WHEREAS, Suburban Gas, Inc and Werner's, Inc. (herein called "Debtors") have borrowed from Secured Party and Secured Party has loaned to Debtors the sum of ONE MILLION SEVEN HUNDRED THOUSAND AND NO/100 DOLLARS (\$1,700,000.00); and

WHEREAS, Debtors are about to execute and deliver to Secured Party (i) a Promissory Note dated as of the date hereof (herein called "Note") in the amount of \$1,700,000.00; (ii) a First Mortgage and Security Agreement dated as of the date hereof (herein called "Mortgage"); and (iii) an Assignment of Leases, Rents and Income dated as of the date hereof (herein called the "Assignment"); and

WHEREAS, LPG, as an affiliate of Debtors, is about to execute and deliver to Secured Party a Pledge Agreement, pledging to Secured Party all its right, title and interest in twenty-one railroad cars described on Exhibit "A"; and

WHEREAS, Secured Party, as a condition of its loan, has required the execution of this Agreement;

NOW THEREFORE, the LPG, for the purpose of securing the payment of all amounts now or hereafter owing under the Note, Mortgage, Assignment, Pledge Agreement and this Security Agreement and the faithful performance of all covenants, conditions, stipulations and agreements therein and herein contained, in consideration of these premises and the sum of ONE DOLLAR (\$1.00) to it paid by Secured Party hereby gives and grants a security interest in and with respect to all of LPG interest in and to the railroad cars described in the attached Schedule "A" (hereinafter called the Property).

LPG hereby warrant and represent to Secured Party that the Property is in good order and condition, is owned by LPG; and is free from all liens, taxes and encumbrances, with the exception of the security interest hereby created.

LPG shall keep the Property when not in use at the principal office of LPG. LPG shall bear all risk of loss or damage as to the Property, shall keep the Property in good condition and repair and free from all liens and encumbrances, shall promptly pay all taxes with respect to the Property, and shall not use the same illegally. LPG shall not remove the Property from the United States unless the lien of the Security Agreement is properly perfected in the country to which it is removed. LPG shall not sell, assign, lease or otherwise encumber any interest which it may have in the Property or part with possession thereof, nor make any material change in the Property without Secured Party's written consent. LPG shall carry insurance, which, by its terms, may not be invalidated as to Secured Party by any act of LPG or Debtors; in insurance companies approved by Secured Party, insuring the Property against loss or damage by fire, theft, and collision (\$10,000 deductible) in an amount equal to the full insurable value of the Property, with loss, if any, payable to Secured Party and/or its assigns as its interests may appear, it being understood and agreed that Secured Party may carry such insurance, if LPG fails to do so, or if such insurance is refused or canceled by any insurance carrier, and may add to the secured indebtedness the cost of the same which LPG shall pay on demand. A charge for insurance purchased by Secured Party shall not make Secured Party responsible if such insurance is canceled by the insurance carrier.

Time is of the essence of this Security Agreement. If LPG shall fail to perform in accordance with the terms and provision hereof or or Pledge Agreement or if Debtors shall fail to perform in accordance with the terms and provisions of the Note, Mortgage and Assignment, or if the Property shall be attached, levied upon or seized by any lawful authority, or if Debtor shall default in the full and prompt payment, when due, of the secured indebtedness, or if LPG or one or more of the Debtors shall become insolvent or unable to pay its debts as they mature or the subject of proceedings under any law relating to bankruptcy or the relief of debtors, then, in any or all such events, all sums secured hereby shall at the option of the Secured Party, become immediately due and payable without notice or demand, and Secured Party shall have all of the rights and remedies provided by law, and may avail itself of the same, including, but not by way of limitation the right to take possession of the Property without prior notice or hearing, which notice and hearing are hereby expressly waived, sell the same and credit the proceeds of such sale against the amounts of the aforesaid indebtedness, after deducting from said proceeds the amounts permitted to be so deducted by law. In case of deficiency, Debtors shall pay the same with interest. In furtherance of Secured Party's right to take possession of and sell the Property, LPG shall, if Secured Party requests, make the Property available to Secured Party at a reasonably convenient place designated by Secured Party, and Secured Party shall have the right, and LPG hereby

authorizes and empower Secured Party, in lawful manner only, to enter upon any premises where the Property may be and remove the same. LPG hereby expressly waive any action or right of action of any kind whatsoever against Secured Party because of the lawful removal, possession or retention of the Property by Secured Party or otherwise.

Any equipment, repairs or accessories placed upon the Property shall become component parts thereof and accessions thereto. All indebtedness which may be incurred and owing by LPG to Secured Party for labor materials, supplies, or storage, in connection with the Property, shall be added to the indebtedness secured hereunder and paid by Debtors on demand.

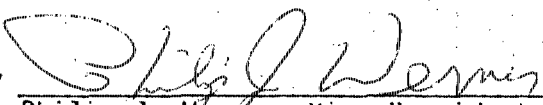
LPG agree to that this Security Agreement will be filed with the Interstate Commerce Commission pursuant to 49 U.S.C. Section 11303.

There are no agreements or understandings between LPG and Secured Party relative to the Property not mentioned herein, it being understood and agreed that this Security Agreement contains the entire agreement of the parties hereto, and no amendments hereof shall be binding on Secured Party unless in writing and signed by its duly authorized representative. The rights and remedies herein granted to Secured Party are not exclusive, but are in addition to any other rights and remedies granted to it by law or otherwise. Any waiver of any breach or default shall not constitute a waiver of any other or subsequent breach or default.

Any provisions herein contained which may be prohibited by law shall be ineffective to the extent of such prohibition without invalidating the remaining provisions hereof.

IN WITNESS WHEREOF, LPG have caused this instrument to be duly executed on the day and year first above written.

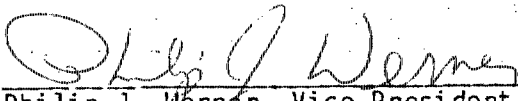
LPG Transportation, Inc.  
a Minnesota corporation


By   
Philip J. Werner, Vice President

By   
Kurt R. Johnson, Secretary

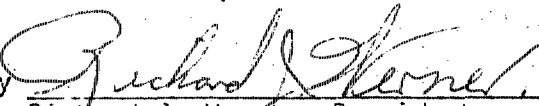
Suburban Gas, Inc. and Werner's, Inc. hereby consent and agree to the foregoing.

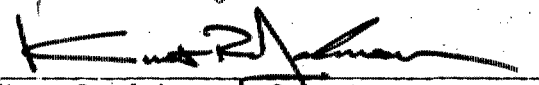
Suburban Gas, Inc.  
a Minnesota corporation

By   
Philip J. Werner, Vice President

By   
Kurt R. Johnson, Vice President

Werner's Inc.  
a Minnesota corporation

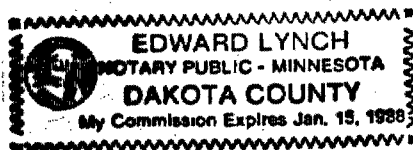
By   
Richard J. Werner, President


By   
Kurt R. Johnson, Secretary

ACKNOWLEDGEMENT

STATE OF MINNESOTA )  
                                  ) SS.  
COUNTY OF DAKOTA )

On this 31<sup>ST</sup> day of December 1985, before me, a Notary Public in and for the State of Minnesota, personally appeared Richard J. Werner and Kurt R. Johnson, to me personally known, who being by me duly sworn did state that they are President and Secretary, respectively of LPG Transportation, Inc. and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and they acknowledged the execution of said instrument to be the voluntary act and deed of said corporation by it and by them voluntarily executed.

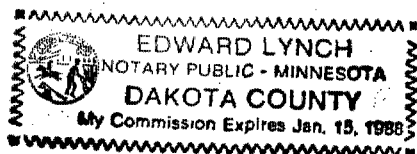


  
Edward Lynch Notary Public  
in and for said State.

My commission expires: \_\_\_\_\_

STATE OF MINNESOTA )  
 ) SS.  
COUNTY OF DAKOTA )

On this 31<sup>st</sup> day of December, 1985, before me, a Notary Public in and for the State of Minnesota, personally appeared Philip J. Werner and Kurt R. Johnson, to me personally known, who being by me duly sworn did state that they are Vice Presidents of Suburban Gas, Inc. and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and they acknowledged the execution of said instrument to be the voluntary act and deed of said corporation by it and by them voluntarily executed.

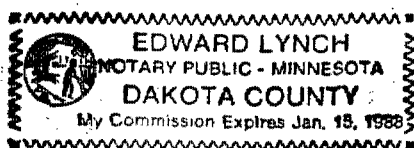


*Edward Lynch*  
Edward Lynch Notary Public  
in and for said State.

My commission expires: \_\_\_\_\_

STATE OF MINNESOTA )  
 ) SS.  
COUNTY OF DAKOTA )

On this 31<sup>st</sup> day of December, 1985, before me, a Notary Public in and for the State of Minnesota, personally appeared Richard J. Werner and Kurt R. Johnson, to me personally known, who being by me duly sworn did state that they are President and Secretary, respectively of Werner's, Inc. and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and they acknowledged the execution of said instrument to be the voluntary act and deed of said corporation by it and by them voluntarily executed.



*Edward Lynch*  
Edward Lynch Notary Public  
in and for said State.

My commission expires: \_\_\_\_\_

SGIX RAIL CARS

<u>SGIX CAR #</u>	<u>CAPACITY</u>	<u>LT WEIGHT</u>	<u>DESIGN (DOT)</u>
6101	30,281	111,100	112A400W
6102	30,281	110,800	112A400W
6103	30,284	110,700	112A400W
6104	30,354	110,700	112A400W
6105	30,271	110,900	112A400W
6106	30,277	110,700	112A400W
6107	30,282	111,100	112A400W
6108	30,291	110,500	112A400W
7309	33,523	99,300	112J340W
7310	33,510	99,200	112J340W
7311	33,517	99,800	112J340W
7312	33,512	99,700	112J340W
7313	33,512	98,400	112J340W
7314	33,521	99,400	112J340W
7315	33,562	99,500	112J340W
7316	33,509	98,600	112J340W
7417	18,608	75,100	112A400W
7418	18,609	75,300	112A400W
7419	18,595	74,700	112A400W
7420	18,602	75,300	112A400W
7421	18,594	75,100	112A400W